

Department of Social and Health Services

DP Code/Title: M2-CD Enhanced Local Match Options

Program Level - 030 Mental Health

Budget Period: 2003-05 Version: C2 030 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

This item requests authority for federal funding. The 2001 and 2002 Legislature appropriated funding to the Mental Health Division to allow the Regional Support Networks (RSNs) to use local funds to increase the amount of federal Medicaid funding available. Maintaining current levels of service in certain RSNs necessitates continued use of this funding mechanism. Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-C General Fund - Basic Account-DSHS Medicaid Federa	4,267,000	2,501,000	6,768,000
Total Cost	4,267,000	2,501,000	6,768,000

Staffing

Package Description:

The Mental Health managed care system provides both community outpatient and hospital inpatient care to Medicaid eligible clients in the community through the RSNs. In recent years, demand for Medicaid services has increased beyond funding available to the RSNs. In addition, more innovative programs that serve the unique needs of certain Medicaid eligible consumers have been made available but cannot always be implemented due to the lack of funding. In 2001, the Legislature authorized the use of local funds already in the Mental Health system as match for additional federal Medicaid funding beyond the base allocation. The initial 2001-2003 Biennial Budget made this funding available to RSNs, which had overall funding increases of less than 2.1 percent in Fiscal Year 2002 and 2.3 percent in Fiscal Year 2003. The 2002 Supplemental Budget increased these percentages to 3.5 percent for Fiscal Year 2002 and 5.0 percent in Fiscal Year 2003. For Fiscal Year 2004, it is requested that the RSNs be allowed to use the total amount of local funds available in the system for this option. This level of funding will allow RSNs to continue providing services at current levels.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The Mental Health managed care program provides community outpatient and inpatient services. These services are necessary in the continuum of care for mentally ill clients. To meet the demands for Medicaid services, increased levels of funding are necessary. One way of increasing funding is to expand the local match option, which allows RSNs to use their own funding to increase the overall Medicaid funding for services provided. This option allows RSNs to maintain innovative programs based on the amount of funding that they can provide to be matched.

Performance Measure Detail

Program: 030

Goal: 09C Optimize services within resources

No measures submitted for package

Incremental Changes

FY 1 **FY 2**

Reason for change:

Current federal funding appropriation for Fiscal Year 2004 does not allow RSNs to maximize use of the local match option. This request allows for its maximization.

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Impact on clients and services:

Ensures RSNs are able to maintain programs and services to consumers.

Impact on other state programs:

None

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

None explored as this request does not affect state funds.

Budget impacts in future biennia:

The cost should be carried forward into future biennia at levels similar to those shown below.

Distinction between one-time and ongoing costs:

These are all ongoing costs.

Effects of non-funding:

This option maintains the programs offered by RSNs. Those services will not be provided if the local match funding is not allowed.

Expenditure Calculations and Assumptions:

See Attachment - MHD M2-CD Enhanced Local Match Options.xls

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
N	Grants, Benefits & Client Services	4,267,000	2,501,000	6,768,000
 <u>DSHS Source Code Detail</u>				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	4,267,000	2,501,000	6,768,000
Total for Fund 001-C		4,267,000	2,501,000	6,768,000
Total Overall Funding		4,267,000	2,501,000	6,768,000